

# **NIPSCO**

## **Customer Billing, Budget Plans, Assistance Programs**

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Northern Indiana Public Service Company



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# *Customer Specific Programs*

**Budget Plan** enables customers to spread out costs of usage over 12 months

**Price Protection Service (PPS)** allows customers to lock in to a fixed commodity price or a capped price for a 12 month period

**NIPSCO Choice** allows customers the opportunity to purchase their natural gas through an alternative supplier

In early August a Communications Strategy will be in place to support the Company's outreach programs



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# ***Enrollment in Customer Specific Programs***

## **Budget Plan**

increase in customers from 184,939 in the fall of 2000 to 226,136 as of May 31, 2001

## **PPS (Price Protection Service)**

increase in customers from 2,600 customers in August 2000 to 36,000 as of May 31, 2001

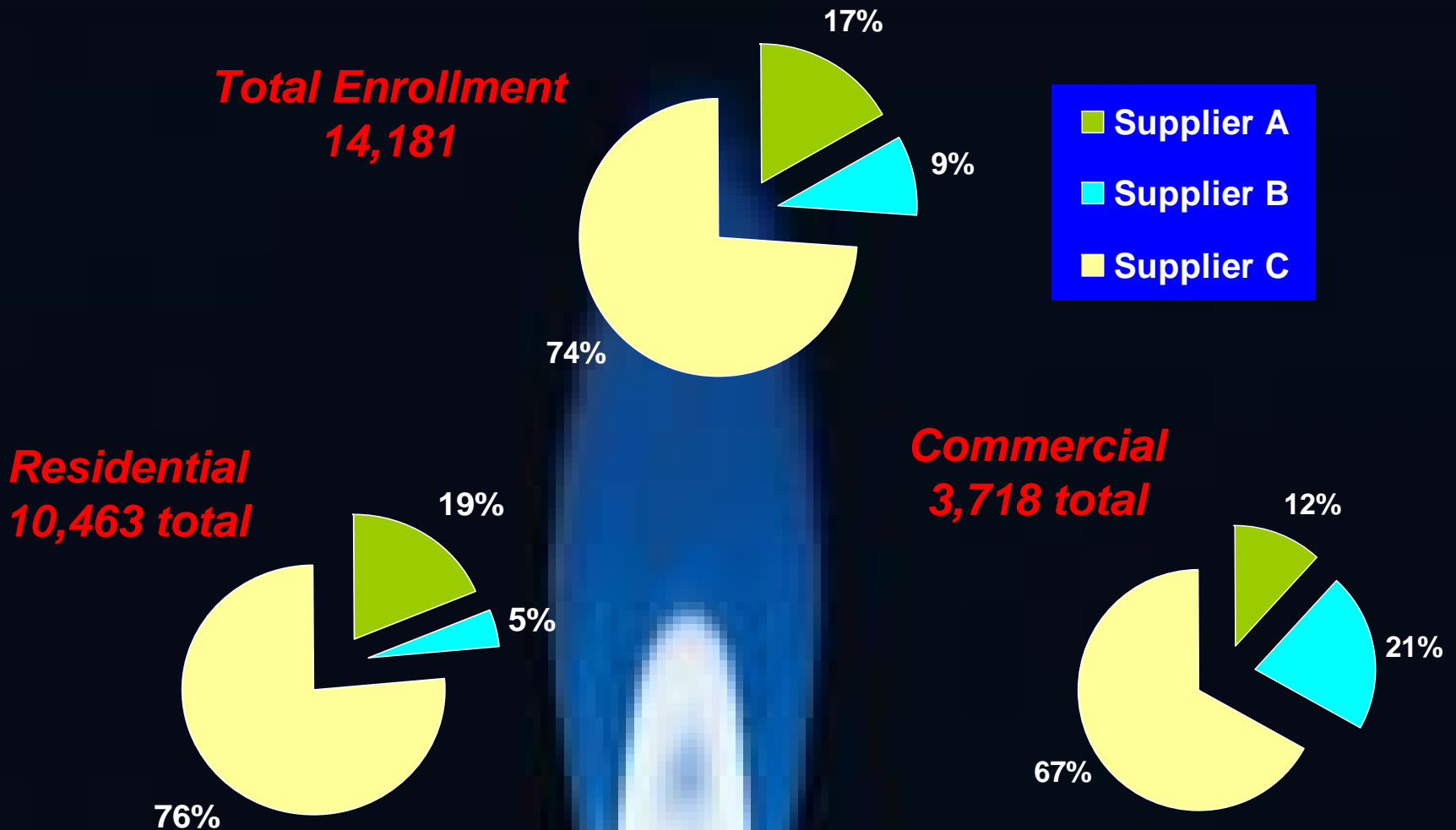
## **NIPSCO Choice**

decrease in enrollment from 16,585 customers in July 2000 to 14,181 in July 2001



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# Supplier Choice Enrollment as of July, 2001



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# ***Budget Participation - Residential***

		<u>% of Total Residential</u>
03/31/01	228,240	38%
03/31/00	188,000	31%
03/31/99	186,519	30%

Participation levels in the budget program in 2000/2001 increased 21.4% over the prior year



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# ***Budget Balance Carryover - Residential***

- NIPSCO Budget Plan reconciles in May and any debit balances are added to the Customer's monthly budget payment for next twelve months
- The May 2001 reconciliation resulted in 182,048 budget customers having an average debit balance of \$383.02
- This represents 28.9% of residential customers



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# Billing Budget Status



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## Monthly Statement

Northern Indiana Public Service Co.

Page 1 of 2

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### Account Summary

Previous amount due	\$128.00
Budget transfer April 30, 2001	\$22.00
Payment April 30, 2001	-\$150.00
Current budget amount	\$128.00
<b>Amount due by May 18, 2001</b>	<b>\$128.00</b>

### How to contact NIPSCO

24 hours a day, 7 days a week

**General Inquiries**  
647-7000  
Telecom Device for the Deaf  
1-800-635-0952

**Gas emergency or electric lines down** 1-800-634-3524

**Mail payment to:**  
P.O. Box 13007  
Merrillville, IN 46411-3007

**Visit our Web site**  
[www.nipSCO.com](http://www.nipSCO.com)

Thinking about conserving energy? Call Contractor Connect to learn how upgrading your heating and cooling equipment can save money!

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### Detail of usage and charges

Service at: \_\_\_\_\_ Is the phone number at this service address 219-365-7222? If not, please call 647-7000. Knowing this phone number helps us respond quickly to an emergency.

Your next scheduled read date is between May 31 - Jun 4

Gas		Electric	
Usage - meter 9069933	31 days	Usage - meter 0669803	31 days
Meter reading (Apr 30)	7286	Meter reading (Apr 30)	95626
Meter reading (Mar 30)	- 7231	Meter reading (Mar 30)	-94895
Volume	55 ccf	Electric usage	731 kwh
Conversion to therms	x 1.027		
Gas usage	56.4 therms		

Charges	
Billed at rate 311 - residential	
NIPSCO delivery service	\$27.45
NIPSCO gas supply charges	
Gas supply	\$30.83
Interstate pipeline transportation	\$2.08
Gas charges this period	\$60.36
Indiana sales tax	\$3.02

Charges	
Billed at rate 811 - residential	
Electric charges this period	\$72.91
Indiana sales tax	\$3.65

All budget accounts are reviewed in May and adjusted, if necessary. Based on a review of your budget status, your monthly budget payment will be \$148.00 beginning with your next bill.

Please return this portion with your payment. Make checks payable to NIPSCO.

If your mailing address has changed, please check box and indicate the new address on the back of this payment stub.

Total amount due on May 18, 2001 **\$128.00**

Account Number: 670-290-006-

Amount enclosed

\$

Gas supply charges  
Mar 2001 \$.5884 per therm  
Apr 2001 \$.5833 per therm  
includes interstate pipeline transportation cost of \$0.0368 per therm.

**Budget status**

Beginning balance	\$250.29
Current utility charges	139.94
Current budget payment	- 128.00
Adjustments/transfers	-22.00
<b>Balance after payment</b>	<b>\$240.23</b>

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# Detail of Budget Status

Account Number: \_\_\_\_\_

The following reflects the utility charges and credits applied to your budget balance.

Date	Activity	Gas Utility Charges	Electric Utility Charges	Monthly Budget Amount	Budget Balance
05/02/2000	Beginning Balance				.00
06/02/2000	Billing	19.20	69.02	-128.00	-39.78
06/30/2000	Billing	20.15	78.59	-128.00	-69.04
08/01/2000	Billing	21.25	93.57	-128.00	-82.22
09/01/2000	Billing	17.51	91.07	-128.00	-101.64
10/03/2000	Billing	24.41	81.24	-128.00	-123.99
11/02/2000	Billing	37.46	66.09		
12/04/2000	Billing	94.80	90.16		
01/03/2001	Billing	129.57	112.17		
02/01/2001	Billing	150.24	76.37		
03/01/2001	Billing	134.65	82.07		
03/22/2001	Overpayment				
03/30/2001	Billing	111.35	79.35		
04/30/2001	Billing	63.38	76.56		
04/30/2001	Budget Transfer				
04/30/2001	Budget Transfer				
04/30/2001	Current Budget Balance				

Your current budget amount 128.00  
 Your budget balance divided by 12 months + 20.00  
 Your new monthly budget starting in June 148.00

Your budget settle up resulted in a debit balance. This shortage was included in the calculation of your new budget payment.

Your budget status will be reviewed again in September. If necessary, a new monthly budget payment will be recommended. See your bill insert for details.

04/30/2001 Budget Transfer 240.23 240.23  
 04/30/2001 Current Budget Balance 240.23

Your current budget amount 128.00  
 Your budget balance divided by 12 months + 20.00  
 Your new monthly budget starting in June 148.00

Your budget settle up resulted in a debit balance. This shortage was included in the calculation of your new budget payment.

Your budget status will be reviewed again in September. If necessary, a new monthly budget payment amount will be recommended. See your bill insert for details.



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# Customer Assistance Programs

## **LIHEAP (Low Income Home Energy Assistance Program)**

- **33,951 customers received funds compared to 27,389 for prior year**
  - Average claim \$231.88 per customer (total funds received \$7,872,420)

## **Gift of Warmth Program**

- \$500,000 allocated to a total of 1,982 customers with an average claim of \$248.32

## **HELP 2001**

- Administered through the Goodwill Industries

## **NIPSCO Supplemental Energy Assistance Program**

- \$1.3 million allocated with an average claim of \$360.00
  - Salvation Army sites help to administer throughout NIPSCO's service territory
  - Targeted customers normally ineligible for fuel assistance.



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# ***Residential Moratorium***

<b>Year</b>	<b>Moratorium Ended</b>	<b>Total Disconnected</b>	<b>%</b>
00/01	04/01/01 (self imposed)	9,025	0.009%
99/00	03/15/00	8,481	0.008%
98/99	03/15/99	8,874	0.009%



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# NIPSCO

## 2001-2002 Natural Gas Supply

Indiana Utility Regulatory Commission  
July 27, 2001

R. Douglas Walker  
Director, Gas Supply  
NiSource Energy Supply Services



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# National Market Assessment

Factor	Last Year	Current
Economy	<i>Strong</i>	<i>Downturn</i>
Storage	<i>Incomplete Refill</i>	<i>Record Injection Pace</i>
Weather	<i>Record cold Nov&amp;Dec</i>	<i>Warm 1Q; Cool 2Q</i>
Drilling Impact	<i>Coming</i>	<i>Arriving</i>
<b>Market Trends</b>	<b><i>Bullish</i></b>	<b><i>Bearish</i></b>



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# Market Outlook

## *You'd be bearish if you believe in . . .*

- mean reversion to the long-term average cost of natural gas.
- fewer HDD's and CDD's.
- continuation of the economic downturn.

## *On the other hand, bulls believe in . . .*

- a new paradigm on the cost to find and produce.
- more HDD's and CDD's.
- an economic recovery.



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# Gas Supply Strategies

*Modern Portfolio Theory says a diversified portfolio maximizes long-term risk-adjusted returns.*

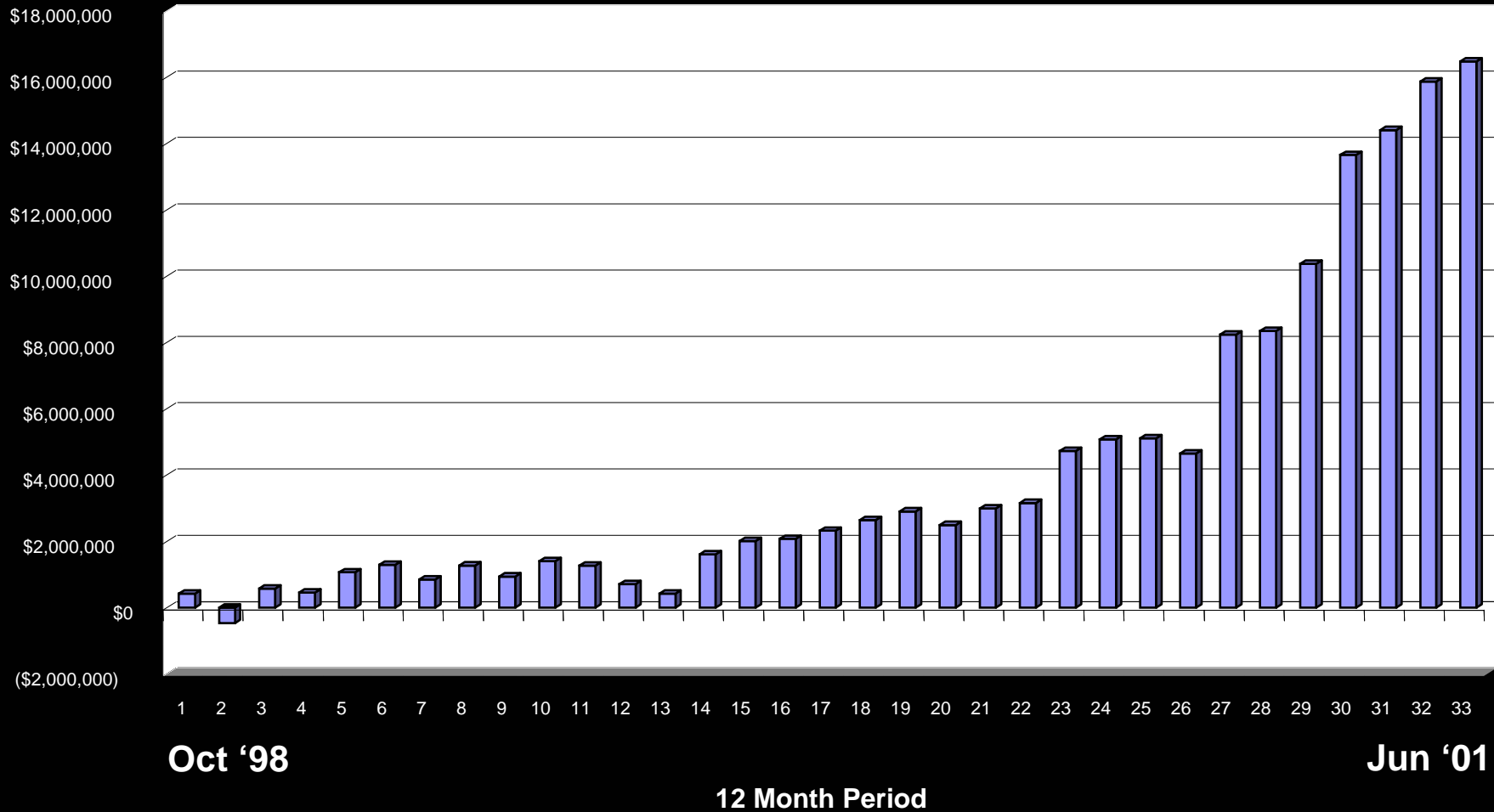
## *Gas Supply Portfolio Diversification Techniques*

- Transportation on many pipelines
- Use of producing region, market area and peaking storage capabilities
- Access to multiple supply basins
- Use various pricing structures in physical and financial markets
  - fixed, variable, futures, calls, puts
  - call spreads, collars, time spreads
  - event driven options
- Support multiple products for consumers (Choice, PPS fixed and capped) and/or regulatory mechanisms (GCIM)



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# GCIM Customer Savings



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# ***NIPSCO Portfolio***

***Overall, Reliability has been maintained and Flexibility has increased***

## ***Trends in NIPSCO's Portfolio Design***

- Increased access to market area storage
- More aggressive management of field area storage
- Seasonal transportation re-shaped to cover shoulder months
- New interconnects with Vector Pipeline
- New interconnect with Northern Border Pipeline

## ***Chicago Market Center Development***

- Increased access to Western Canadian supplies
- Increased physical delivery options to NIPSCO's city-gates
- Liquid trading point



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# Thank You



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